

Lansing Update

Current Events in the Michigan Senate
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Senator Brandenburg: budget agreement points Michigan in the right direction

I am pleased to report we have a state budget agreement in place that not only eliminates a staggering \$1.5 billion deficit, but moves Michigan forward.

Unlike previous years, there are no budget gimmicks or one-time fixes to balance the books. The budget is now completed; wrapping up months ahead of past years and allowing school districts and local governments sufficient time to make informed decisions on their own budgets.

Given the tough economy, our state budget is lean, but structurally sound. It preserves a safety net for those most in need and minimizes cuts to our K-12 schools. Some good news in the recent state revenue forecast allows us to more fully fund some top priorities, including:

- Limiting the cut to K-12 education to less than \$100 per pupil, a 1.9 percent reduction compared to cuts to other departments of 15 percent or more.
- Increasing revenue sharing to cities, villages, townships and counties by \$30 million to help support police, fire and other important services.
- Funding a \$400 million state "savings account" to pay down long-term liabilities.

I strongly believe this budget will serve our residents well, send a positive message to job providers and provide a strong foundation for future growth.

Jack Brandenburg
State Senator District 11

Lansing Update T.V. Show

Catch Senator Brandenburg on Public Access Television. Senator Brandenburg is now on his 5th taping of Lansing Update with Phil Nye. This monthly television program airs on public access channels within the entire district. Phil Nye and Senator Brandenburg discuss the hot topics in Lansing.

Comcast channels 5 or 12

Wow Channel 10

AT&T Channel 99

Times of programming vary.

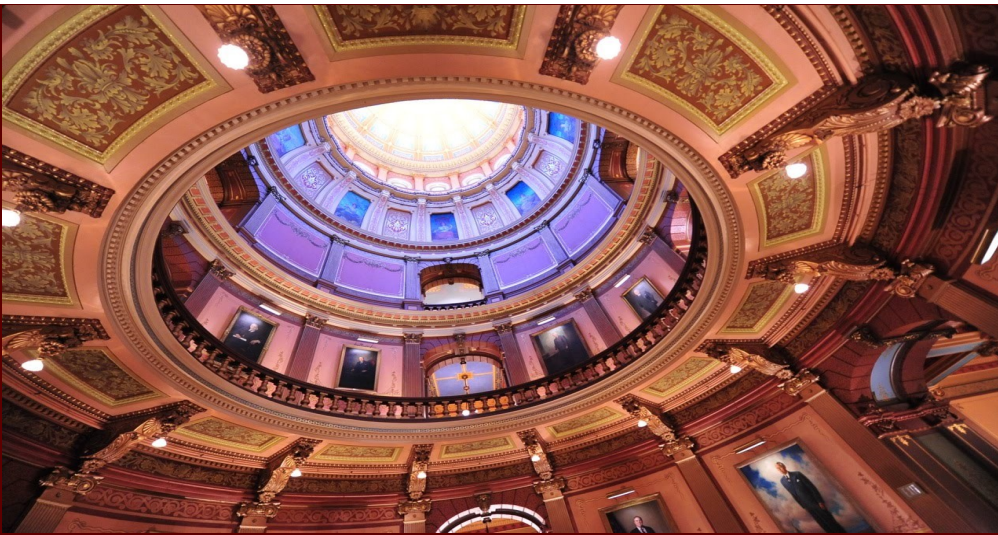


Changes in Personal Income Tax Effecting Seniors

As many of you already know the Governor's proposals to change the personal income tax passed the Senate a few weeks ago. This legislation will not only affect people collecting a pension but will affect every senior citizen in some way. I did vote no on this bill but, it ended up passing with a tie breaking vote casted by the Lieutenant Governor. Below I lay out the changes to the personal income tax. Please feel free to contact my office anytime if you have any questions.



- **The income tax rate** would remain at 4.35% until January 1, 2013 when it will go to 4.25%. It would freeze at 4.25%. Currently, it is scheduled to be reduced by 0.1% each year until it reaches 3.9% in 2015.
- **Those younger than 60 in 2012** will have no exemption until they turn 67. When they reach 67 they will receive a \$20,000 single/\$40,000 joint special senior exemption against all types of income.
- **People 60 – 66 in 2012** will have a \$20,000 single/\$40,000 joint retirement income exemption until age 67. When 67 they will receive \$20,000 single/\$40,000 joint special senior exemption against all income in addition to Social Security and personal exemptions.
- **People 67 and older in 2012** will be held harmless and receive current law retirement income exemptions; dividend, interest, and capital gains exemption; Social Security exemption; and personal exemption
- When fully phased in, the proposal would treat all income the same regardless of its source.
- Social Security, active duty military pay and military pensions would still be exempt.
- This will eliminate the current exemption that seniors receive for income from dividends, interest and capital gains. Those born before 1946 would still receive this exemption.
- The Homestead Property Tax Credit will be changed to phase out from \$41,000 to \$50,00. This means that the credit is reduced 10% for every \$1,000 that household income exceeds \$41,000.
- In addition to that change, the credit is currently equal to 100% of the difference between property taxes paid and 3.5% of household income for seniors and the disabled, and 60% for others. The proposal would change these percentages based on total household resources.
- There would be no change in the calculation of the credit for disabled or veterans who would remain at 100%.
- For purposes of the Homestead Property Tax Credit, people whose home has a taxable value in excess of \$135,000 would not be eligible for the credit



Bits and Tidbits

Bridge Bills Get Introduced in the Senate

Senate Bills 410 and 411 were introduced by Senator Richardville early last week. I still have many questions on this legislation and until I receive straight answers on either side of the argument I will continue to have a difficult time supporting the Governor's plan. I want to know this legislation front and back. I am very skeptical of building a new bridge to Canada and want to know everything about the project.

Senate plans action to bar lottery winners from public assistance

Millionaires should not be getting food stamps.

Astoundingly, a Michigan man is still using a Bridge Card nearly a year after winning a \$2 million lottery jackpot!

The pending legislation would require lottery officials to share the names of winners with the appropriate state agencies and immediately remove these individuals from all public assistance.

I look forward to quick action to ensure our taxpayer-funded state safety net is reserved for those most in need.

Redistricting Hot Topic in Lansing

House and Senate Redistricting Committees are busy trying to finish maps by the end of June. Meetings between members, legal council, and leadership have been and are still ongoing.

Questions?

Please feel free to contact my office anytime to voice opinions, concerns, or ask questions. My staff will be more than happy to discuss any issues you have.

Ken Matiyow—Chief of Staff

Dan Papineau—Legislative Director